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June 16, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests of the Attorney General:

AG-9-3 AG-9-5 AG-9-7 AG-11-10 AG-13-8
AG-17-10 AG-17-11 AG-17-12

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)
A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)
Andreas Thanos, Assistant Director, Gas Division (1 copy)
Alexander Cochis, Assistant Attorney General (4 copies)
Service List (1 copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

AG-9-3 Refer to Exhibit BSG/JAF-1, p. 3-174, lines 8-11. Please explain more fully how the accounting data was adjusted to eliminate errors. Provide a schedule showing class by class the accounting records revenue and bill determinants (including block breakdowns) for the test year and the adjustments made to eliminate billing adjustments and errors. Explain the basis for all adjustments to accounting data.

Response: As accounts are billed and adjustments are made to the customer's bill, any adjusted billing [revised billing amount less previous billing(s)] is recorded on the company's books in the month that the adjustment was made to the customer's bill. Recording the adjusted billing that could represent multiple months of billings or revisions to billings conforms to the rules of accrual accounting. These adjustments are stored in a sub-system in the month they are recorded on the books as backup to the books. Bay State labels / identifies this sub-system as Schedule 15.

In the Company's Customer Information System (CIS), the original bill is cancelled and the customer is re-billed the next month for a two-month cycle. Again, the net billed amount, made up of the rebilling less the previous month(s) billing, is recorded on the books.

For ratemaking purposes, the portion of adjusted billings that were made during the test year associated with billings for months prior to the test year should be eliminated from the test year. Conversely, adjusted billings made subsequently to the test year should include the billings associated with months in the test year.

Consider the following example:

December 2003 a customer is billed 100 therms.
January 2004 the customer is credited 50 therms for December 2003 and billed 40 therms for January 2004.

The Company books (Schedule 15) would show the following:

December 2003	100 therms (30 day billing cycle).
January 2004	-10 therms (30 day billing cycle).

The Company billing system would show the following:

December 2003	0 therms. (bill was canceled).
January 2004	90 therms (rebill 60 day billing cycle).

Physical Flow determined for rate purposes:

December 2003	50 therms. (30 day billing cycle).
January 2004	40 therms. (30 day billing cycle).

Physical flow simply adjusts the volumes to reflect when the gas physically flowed. In this example 100 – 50 therms actually flowed in December 2003 and 40 therms actually flowed in January 2004.

As a result, for this customer, only the 40 therms billed for January 2004 would be included in the test year since December 2003 is outside the test year. The physical flow process is preformed every month even if the adjustment was made in a month during the test year for a prior month that is also in the test year for the purpose of capturing the volumes and associated revenues in the correct seasons and distributing appropriately in the steps of the Company's block rates.

Attachment AG-9-3 shows the net adjustments by rate schedule by month that were made to per books volumes on a month by month basis by customer shown in response to AG-9-5. Adding adjusted volumes shown in the attached spreadsheet to the per books volumes results in billed physical flow volumes.

It is only after adjustments are moved to the billing cycle months in which the gas flowed (billed physical flow), and adjusted for leap year and calendarized, that the company determines usage per rate block on a month-by-month basis by customer as seen on Exhibit BSG/JAF-1, WP JAF 1-5-1 through JAF 1-5-12 under column 1.

The month-by-month revenue impact of adjusting volumes to physical flow is included in amounts shown on Exhibit BSG/JAF-1, WP JAF 1-1-1 through JAF 1-1-12 under column 6.

Adjustments to Actual Test Year Bills to Determine Billed Physical Flow

For the 12 Months Ending December 31, 2004

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Rate Schedule</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>
RESIDENTIAL HEATING CHOICE (MA-T-3)	1	(3)	(4)	2	4	0	4	0	(2)	2	2	4
RES HEAT CHOICE FARM (MA-T-3)	0	0	0	0	0	0	0	0	0	0	0	0
RES NON-HEAT CHOICE MONTHLY (MA-T-1)	0	0	0	0	0	0	0	0	0	0	0	0
C&I LOW ANNUAL/LOW WINTER TRANS (MA-T-50)	(1,817)	(189)	3,520	(17,254)	491	(1,003)	20,661	(6)	391	(330)	535	(322)
C&I LOW ANN/HIGH WINTER TRANS (MA-T-40)	(6,714)	(3,111)	9,889	1,862	(2,022)	1,146	158	(34)	3	271	3,123	179
C&I LOW ANN/HI WIN TRANS FARM (MA-T-40)	0	0	(8)	8	0	0	0	0	0	0	0	0
C&I MED ANN/LOW WIN TRANS (MA-T-51)	532	(1,616)	14,559	1,119	(973)	(2,343)	(1,597)	(5,351)	(841)	8,731	(2,088)	3,024
C&I MED ANN/HI WIN TRANS (MA-T-41)	(19,641)	(34,881)	82,046	(18,031)	2,145	(3,818)	23,929	1,412	6,585	7,989	2,807	(997)
C&I HI ANN/LOW WIN TRANS (MA-T-52)	9,672	1,331	0	(8,224)	(5,947)	13,221	(10,060)	(10,291)	20,668	(3,502)	4,135	(6,064)
C&I HI ANN/HI WIN TRANS (MA-T-42)	(94,184)	(166,417)	253,161	55,780	(1,747)	(6,986)	7,659	2,922	3,669	(440)	(6,112)	(17,510)
C&I MED ANN/HI WIN TRANS FARM (MA-T-41)	0	0	0	0	0	0	0	0	0	0	0	0
C&I HI ANN/LOW WIN TRANS FARM (MA-T-52)	0	0	0	0	0	0	0	0	0	0	0	0
C&I HI ANN/HI WIN TRANS FARM (MA-T-42)	0	0	(1,934)	(6,461)	(2,331)	(1,387)	12,113	0	0	0	0	0
C&I DM LOW ANNUAL/HI WIN TRANS (MA-T-40)	0	0	0	(1,663)	(142)	1,805	(2,067)	0	2,067	0	0	0
C&I DM MED ANNUAL/HI WIN TRANS (MA-T-41)	0	0	(1)	1	(1,101)	1,101	0	0	0	0	0	0
C&I DM HI ANNUAL/HI WIN TRANS (MA-T-42)	0	0	0	0	0	(4,642)	(4,762)	9,404	0	0	0	0
C&I DM EX HI ANN/HI WIN TRANS (MA-T-43)	0	0	0	0	0	0	0	0	0	0	0	(53,071)
SPECIAL RATE	0	0	0	0	0	0	0	0	0	0	0	0
C&I DM LOW ANNUAL/LOW WIN TRANS (MA-T-50)	0	0	0	0	0	0	0	0	0	0	0	0
C&I DM MED ANNUAL/LOW WIN TRANS (MA-T-51)	0	0	0	0	0	0	0	0	0	0	0	0
C&I DM HI ANNUAL/LOW WIN TRANS (MA-T-52)	0	0	(2,977)	2,977	0	0	0	0	0	0	0	0
C&I DM EX HI ANN/LOW WIN TRANS (MA-T-53)	0	0	0	0	0	0	0	0	0	0	0	(732)
RESIDENTIAL NON-HEAT (MA-R-1)	(3,624)	(1,340)	2,731	8,308	(377)	1,794	999	1,383	1,301	3,433	3,319	4,230
RESIDENTIAL HEATING SALES (MA-R-3)	(597,969)	(315,901)	413,455	587,314	712,470	157,928	82,154	48,007	29,880	17,669	(33,355)	5,120
RESIDENTIAL NON-HEAT LOW INC (MA-R-2)	(205)	(290)	490	469	559	(81)	(14)	13	(107)	683	397	(73)
RESIDENTIAL HEATING LOW INC (MA-R-4)	(8,121)	(12,895)	(549)	22,165	13,043	7,799	6,673	10,956	5,057	10,694	1,797	1,912
RESIDENTIAL NON-HEAT MONTHLY (MA-R-1)	(15,791)	(22,402)	4,193	45,393	16,723	4,784	2,711	166	256	658	(3,962)	3,908
RES NON-HEAT LOW INC MONTHLY (MA-R-2)	(178)	(617)	(10,163)	10,958	517	(41)	(30)	(4)	68	(26)	156	14
RESIDENTIAL HEATING FARM (MA-R-3)	0	0	0	0	0	0	0	0	0	0	0	0
RESIDENTIAL NON-HEAT FARM MNTHLY (MA-R-1)	0	0	0	0	0	0	0	0	0	0	0	0
OUTDOOR LIGHTING (MA-L-60)	(19)	(19)	443	0	0	0	0	0	0	0	0	0
C&I LOW ANNUAL/LOW WINTER SAL (MA-G-50)	95,545	(103,166)	109,155	4,169	6,618	(244)	239	7,155	1,372	1,889	4,650	949
C&I LOW ANNUAL/HIGH WINTER SAL (MA-G-40)	33,076	(29,174)	(17,130)	(9,560)	24,108	1,917	19,451	10,207	(12,868)	50,664	(1,717)	14,699
C&I MED ANNUAL/LOW WINTER SAL (MA-G-51)	(15,678)	34,239	(4,897)	4,598	19,803	1,445	(13,565)	(10,502)	3,959	29,335	8,663	(7,628)
C&I MED ANNUAL/HIGH WINTER SAL (MA-G-41)	(4,268)	(32,194)	(27,737)	(26,015)	67,207	(5,207)	58,470	16,003	30,218	24,745	(3,768)	(9,201)
C&I HIGH ANNUAL/LOW WINTER SAL (MA-G-52)	3,189	7,008	867	22,403	279	(780)	(3,664)	2,732	(8,769)	(5,918)	(249)	(543)
C&I HIGH ANNUAL/HIGH WINTER SA (MA-G-42)	(35,453)	(58,382)	21,892	42,475	(131,939)	121,229	6,257	(4,115)	88,387	(1,213)	11,275	(50,962)
EXTRA HI ANN/LW WINTER SL (MA-G-53)	0	(9,835)	9,835	0	0	0	0	0	0	0	0	0
EXTRA HI ANN/HI WINTER SL (MA-G-43)	0	0	0	0	0	0	0	(10,400)	10,400	0	0	0
C&I LOW ANNUAL/LOW WINTER FARM (MA-G-50)	0	0	0	0	0	0	0	0	0	0	0	0
C&I LOW ANNUAL/HIGH WINTER FARM (MA-G-40)	0	0	(56)	56	0	0	0	0	0	0	0	(197)
C&I MED ANNUAL/HIGH WINTER FARM (MA-G-41)	(976)	3,167	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE SALES-MNL [1]	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE SALES [1]	(133)	0	24,550	0	0	1	0	0	(4,177)	(6,106)	(26,241)	39,876
TOTAL COMPANY	(662,757)	(746,686)	885,330	722,848	717,388	287,638	205,719	69,657	177,517	139,228	(36,633)	(73,385)

[1] Note: Although Interruptible Sales shown above were billed during the test year, they are eventually eliminated from revenue requirement under Sch JAF 1-1, Sheet 1, Column 6, Line 23.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: Joseph A. Ferro, Manager, Regulatory Policy

AG-9-5 Does the Company's CIS individual customer block billing data? Please provide a schedule showing for each class the actual test year billed volumes and numbers of customers on a month by month basis. Provide an electronic spreadsheet and a hard copy response.

Response: No. The Company's CIS does not provide billing data by rate block of each customer. Rather, the Company has extracted volumes from CIS on a month-by-month basis by customer for this instant filing. The Company does not determine block usage by customer by month (by running each customer's monthly usage against the rate structure) until volumes were adjusted for physical flow, leap year, and calendarized on a month-by-month basis by customer.

Attachment AG-9-5 presents Bill counts and actual test year billed volumes. Bill counts are based on an active or finaled account status code at the time of billing on a month-by-month basis by customer.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Rate Schedule</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>
RESIDENTIAL HEATING CHOICE (MA-T-3)	35	35	35	35	34	35	35	35	35	37	39	38
RES HEAT CHOICE FARM (MA-T-3)	1	1	1	1	1	1	1	1	1	1	1	1
RES NON-HEAT CHOICE MONTHLY (MA-T-1)	5	5	5	5	5	5	5	5	5	5	4	5
C&I LOW ANNUAL/LOW WINTER TRANS (MA-T-50)	347	348	344	340	337	332	318	321	320	351	341	340
C&I LOW ANN/HIGH WINTER TRANS (MA-T-40)	846	845	822	817	809	802	794	789	794	629	597	597
C&I LOW ANN/HI WIN TRANS FARM (MA-T-40)	1	1	1	1	1	1	1	1	1	1	1	1
C&I MED ANN/LOW WIN TRANS (MA-T-51)	473	467	456	453	446	443	438	439	438	549	568	564
C&I MED ANN/HI WIN TRANS (MA-T-41)	1,090	1,076	1,067	1,057	1,034	1,014	977	978	994	873	912	913
C&I HI ANN/LOW WIN TRANS (MA-T-52)	124	123	123	121	121	121	120	120	119	155	159	160
C&I HI ANN/HI WIN TRANS (MA-T-42)	335	334	331	329	328	321	316	319	323	270	284	287
C&I MED ANN/HI WIN TRANS FARM (MA-T-41)	0	0	2	2	2	2	2	2	2	3	3	3
C&I HI ANN/LOW WIN TRANS FARM (MA-T-52)	1	1	1	1	1	1	1	1	1	0	0	0
C&I HI ANN/HI WIN TRANS FARM (MA-T-42)	2	2	2	2	2	2	2	2	2	2	2	2
C&I DM LOW ANNUAL/HI WIN TRANS (MA-T-40)	13	13	13	13	13	13	13	13	13	13	10	10
C&I DM MED ANNUAL/HI WIN TRANS (MA-T-41)	35	35	35	33	33	33	33	32	32	32	14	14
C&I DM HI ANNUAL/HI WIN TRANS (MA-T-42)	28	28	28	28	28	28	28	26	26	26	13	13
C&I DM EX HI ANN/HI WIN TRANS (MA-T-43)	10	10	10	10	10	10	10	10	10	10	10	10
C&I DM LOW ANNUAL/LOW WIN TRANS (MA-T-50)	2	2	2	2	2	2	2	2	2	2	1	1
C&I DM MED ANNUAL/LOW WIN TRANS (MA-T-51)	8	8	8	8	8	8	7	7	7	7	6	7
C&I DM HI ANNUAL/LOW WIN TRANS (MA-T-52)	26	26	26	26	26	26	26	26	26	26	27	27
C&I DM EX HI ALL/LOW WIN TRANS (MA-T-53)	59	59	59	59	59	59	59	59	59	59	58	60
SPECIAL RATE	5	5	5	5	5	5	5	5	5	5	5	5
RESIDENTIAL NON-HEAT (MA-R-1)	3,265	2,895	2,821	2,384	2,257	1,909	1,742	1,451	1,340	897	910	720
RESIDENTIAL HEATING SALES (MA-R-3)	202,525	202,932	205,747	204,623	203,408	203,508	203,290	203,547	204,051	204,372	206,412	205,252
RESIDENTIAL NON-HEAT LOW INC (MA-R-2)	87	87	72	128	100	89	77	79	68	57	55	64
RESIDENTIAL HEATING LOW INC (MA-R-4)	21,721	21,571	19,198	18,381	17,909	17,561	17,138	16,725	16,367	16,890	16,575	16,185
RESIDENTIAL NON-HEAT MONTHLY (MA-R-1)	23,274	23,782	24,421	26,661	28,413	28,913	29,363	29,814	30,124	30,174	30,380	29,875
RES NON-HEAT LOW INC MONTHLY (MA-R-2)	1,605	1,602	1,534	1,490	1,468	1,450	1,429	1,404	1,387	1,625	1,579	1,515
RESIDENTIAL HEATING FARM (MA-R-3)	16	16	17	13	13	13	13	13	13	13	13	13
RESIDENTIAL NON-HEAT FARM MNTHLY (MA-R-1)	4	4	4	6	6	6	6	6	6	6	6	6
OUTDOOR LIGHTING (MA-L-60)	13	13	13	12	12	12	12	12	12	12	11	10
C&I LOW ANNUAL/LOW WINTER SAL (MA-G-50)	2,935	2,927	2,933	2,931	2,918	2,909	2,914	2,913	2,905	3,157	3,195	3,152
C&I LOW ANNUAL/HIGH WINTER SAL (MA-G-40)	16,014	16,034	16,081	15,951	15,797	15,731	15,609	15,510	15,534	15,926	16,308	16,238
C&I MED ANNUAL/LOW WINTER SAL (MA-G-51)	1,208	1,223	1,230	1,225	1,230	1,224	1,231	1,222	1,229	1,422	1,421	1,385
C&I MED ANNUAL/HIGH WINTER SAL (MA-G-41)	3,725	3,727	3,741	3,735	3,733	3,750	3,763	3,768	3,754	3,376	3,383	3,347
C&I HIGH ANNUAL/LOW WINTER SAL (MA-G-52)	83	83	84	86	85	88	85	85	87	112	112	110
C&I HIGH ANNUAL/HIGH WINTER SA (MA-G-42)	278	279	288	286	288	297	300	298	293	243	243	238
EXTRA HI ANN/LW WINTER SL (MA-G-53)	8	8	8	8	5	5	5	5	5	10	12	12
EXTRA HI ANN/LH WINTER SL (MA-G-43)	7	7	6	6	6	5	5	5	5	3	3	3
C&I LOW ANNUAL/LOW WINTER FARM (MA-G-50)	5	5	5	5	5	5	5	5	5	5	4	4
C&I LOW ANNUAL/HIGH WINTER FARM (MA-G-40)	14	14	14	14	14	14	14	14	14	14	15	15
C&I MED ANNUAL/HIGH WINTER FARM (MA-G-41)	2	2	2	2	2	2	2	2	2	2	2	2
INTERRUPTIBLE SALES-MNL [1]	1	1	1	1	1	1	1	1	1	1	1	1
TARIFF SALES BILLED EMERGENCY INTERR - MNL [1]	0	0	0	0	0	0	0	0	0	0	0	0
TARIFF SALES BILLED EMERGENCY INTERR [1]	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE SALES [1]	51	51	51	51	50	50	50	50	49	49	44	35
TOTAL COMPANY	280,287	280,687	281,647	281,347	281,025	280,806	280,247	280,122	280,466	281,422	283,739	281,240

[1] Note: Although Interruptible Sales shown above were billed during the test year, they are eventually eliminated from revenue requirement under Sch JAF 1-1, Sheet 1, Column 6, Line 23.

Bay State Gas Company
Actual Test Year Bills and Billed Volumes
For the 12 Months Ending December 31, 2004

Attachment AG-9-5
Page 2 of 2

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Rate Schedule</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>
RESIDENTIAL HEATING CHOICE (MA-T-3)	12,176	14,442	10,788	9,707	4,229	3,019	1,974	1,695	1,902	3,033	6,922	9,804
RES HEAT CHOICE FARM (MA-T-3)	247	217	171	147	77	32	30	27	28	56	122	167
RES NON-HEAT CHOICE MONTHLY (MA-T-1)	197	171	161	186	154	159	156	138	160	141	166	129
C&I LOW ANNUAL/LOW WINTER TRANS (MA-T-50)	75,093	165,835	82,044	82,301	79,491	49,443	16,031	32,449	36,130	52,371	56,259	82,291
C&I LOW ANN/HIGH WINTER TRANS (MA-T-40)	393,094	445,002	289,111	216,839	106,018	37,764	23,263	21,892	24,541	51,947	109,448	197,345
C&I LOW ANN/HI WIN TRANS FARM (MA-T-40)	313	137	144	(8)	28	22	21	20	20	27	232	141
C&I MED ANN/LOW WIN TRANS (MA-T-51)	822,488	878,563	812,929	708,288	505,095	507,783	490,749	438,707	438,893	449,891	678,018	838,983
C&I MED ANN/HI WIN TRANS (MA-T-41)	2,773,896	3,267,905	2,213,706	1,866,189	688,494	463,949	226,621	253,687	238,274	442,560	981,019	1,756,407
C&I HI ANN/LOW WIN TRANS (MA-T-52)	1,578,757	1,491,197	1,391,243	1,341,189	939,332	1,062,077	921,706	954,954	973,853	989,645	1,382,972	1,745,931
C&I HI ANN/HI WIN TRANS (MA-T-42)	4,563,825	5,080,192	3,289,939	2,885,539	1,227,259	863,872	404,205	350,590	514,388	753,122	1,643,070	2,739,879
C&I MED ANN/HI WIN TRANS FARM (MA-T-41)	0	0	0	6,016	1,804	303	82	44	57	85	37,233	45,907
C&I HI ANN/LOW WIN TRANS FARM (MA-T-52)	1,202	389	1,879	4,575	764	10	10	20	10	20,715	0	0
C&I HI ANN/HI WIN TRANS FARM (MA-T-42)	21,773	32,228	15,150	14,224	5,655	3,216	(11,669)	694	684	4,686	9,137	15,049
C&I DM LOW ANNUAL/HI WIN TRANS (MA-T-40)	9,121	13,209	6,974	8,496	2,835	(653)	2,617	217	(1,913)	252	1,208	3,404
C&I DM MED ANNUAL/HI WIN TRANS (MA-T-41)	118,460	164,941	112,865	85,855	44,942	7,520	4,764	2,971	2,992	3,149	27,284	25,514
C&I DM HI ANNUAL/HI WIN TRANS (MA-T-42)	438,521	694,511	443,989	388,256	213,375	65,539	45,071	22,126	49,959	36,373	130,121	139,564
C&I DM EX HI ANN/HI WIN TRANS (MA-T-43)	929,026	981,083	645,590	676,111	446,938	213,117	90,150	87,849	85,584	105,854	377,183	592,483
C&I DM LOW ANNUAL/LOW WIN TRANS (MA-T-50)	898	319	22	1	1	1	1	1	2	1	1	3,244
C&I DM MED ANNUAL/LOW WIN TRANS (MA-T-51)	9,827	12,278	10,357	10,889	8,749	6,017	5,089	4,283	4,121	4,321	4,905	8,142
C&I DM HI ANNUAL/LOW WIN TRANS (MA-T-52)	412,916	520,046	405,036	417,940	328,593	261,311	259,107	214,080	247,615	251,814	298,204	361,765
C&I DM EX HI ALL/LOW WIN TRANS (MA-T-53)	4,465,750	5,291,506	4,675,335	4,761,551	4,239,059	4,039,879	4,247,940	3,710,959	4,183,307	3,685,553	4,222,299	3,753,818
SPECIAL RATE	9,796,620	12,731,257	9,864,678	12,363,354	12,728,882	10,744,445	4,379,062	3,662,677	8,732,395	7,909,091	9,815,081	13,487,141
RESIDENTIAL NON-HEAT (MA-R-1)	137,585	129,661	118,856	93,896	83,823	61,079	57,840	49,706	37,578	33,836	31,999	28,529
RESIDENTIAL HEATING SALES (MA-R-3)	41,631,281	45,751,625	31,531,523	26,246,270	9,783,777	7,196,774	5,072,297	4,547,959	4,834,054	7,630,433	17,550,272	28,209,807
RESIDENTIAL NON-HEAT LOW INC (MA-R-2)	5,287	6,026	5,632	10,321	4,189	3,687	3,393	3,762	2,102	1,982	1,603	3,261
RESIDENTIAL HEATING LOW INC (MA-R-4)	3,627,597	4,246,315	3,631,318	2,982,158	1,571,985	759,827	470,755	382,413	396,761	574,988	1,305,886	2,137,089
RESIDENTIAL NON-HEAT MONTHLY (MA-R-1)	482,867	485,705	423,863	406,256	356,187	396,866	359,148	331,992	351,324	392,456	464,167	552,802
RES NON-HEAT LOW INC MONTHLY (MA-R-2)	28,741	33,379	45,662	80,037	50,420	29,033	25,236	20,923	24,543	22,706	27,479	41,906
RESIDENTIAL HEATING FARM (MA-R-3)	4,334	4,888	3,190	3,024	1,127	822	441	293	362	606	1,465	2,619
RESIDENTIAL NON-HEAT FARM MNTHLY (MA-R-1)	18	44	20	27	24	34	22	24	28	25	33	27
OUTDOOR LIGHTING (MA-L-60)	250	247	(215)	261	228	228	228	228	228	228	236	190
C&I LOW ANNUAL/LOW WINTER SAL (MA-G-50)	393,572	651,720	349,837	407,012	337,269	303,249	270,716	248,800	272,158	282,659	354,533	451,494
C&I LOW ANNUAL/HIGH WINTER SAL (MA-G-40)	4,854,154	5,806,747	3,708,380	2,779,845	739,127	432,305	219,171	222,064	261,240	390,088	1,492,709	2,928,503
C&I MED ANNUAL/LOW WINTER SAL (MA-G-51)	1,505,897	1,591,495	1,302,674	1,260,352	900,549	936,285	917,213	827,612	832,537	845,550	1,237,187	1,529,890
C&I MED ANNUAL/HIGH WINTER SAL (MA-G-41)	7,424,155	8,998,026	6,280,804	4,962,447	1,576,257	887,568	516,290	424,028	443,444	939,893	2,518,827	4,635,296
C&I HIGH ANNUAL/LOW WINTER SAL (MA-G-52)	665,038	639,523	684,532	547,218	403,300	428,530	397,286	542,929	441,644	498,088	591,595	751,234
C&I HIGH ANNUAL/HIGH WINTER SA (MA-G-42)	3,126,266	3,620,597	2,783,880	2,146,895	1,036,848	423,448	287,875	285,988	255,046	550,807	1,204,798	1,962,645
EXTRA HI ANN/LW WINTER SL (MA-G-53)	378,680	319,557	213,316	250,678	168,593	133,017	117,234	120,933	138,435	122,162	539,627	742,807
EXTRA HI ANN/LHI WINTER SL (MA-G-43)	826,326	891,963	732,392	672,299	356,169	241,815	183,365	173,050	162,385	231,753	120,640	142,124
C&I LOW ANNUAL/LOW WINTER FARM (MA-G-50)	445	494	427	481	347	458	165	150	214	277	343	438
C&I LOW ANNUAL/HIGH WINTER FARM (MA-G-40)	3,592	3,593	5,047	4,965	1,326	165	45	33	26	614	384	2,253
C&I MED ANNUAL/HIGH WINTER FARM (MA-G-41)	4,205	(1,472)	2,006	3,344	898	289	272	267	253	464	2,465	3,202
INTERRUPTIBLE SALES-MNL [1]	34,065	582	0	2,333	2,756	0	39,770	18,443	15,551	8,580	17,143	40,469
TARIFF SALES BILLED EMERGENCY INTERR - MNL [1]	29,440	0	0	0	0	0	0	0	0	0	0	0
TARIFF SALES BILLED EMERGENCY INTERR [1]	438	(438)	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE SALES [1]	2,008	39,833	(22,204)	342,611	302,531	287,731	310,998	290,433	334,037	936,455	796,029	68,585
TOTAL COMPANY	91,590,440	105,005,538	76,073,051	69,050,375	39,249,504	30,852,035	20,356,740	18,252,110	24,336,952	28,229,337	48,040,304	70,042,278

[1] Note: Although Interruptible Sales shown above were billed during the test year, they are eventually eliminated from revenue requirement under Sch JAF 1-1, Sheet 1, Column 6, Line 23.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

AG-9-7 Refer to Exhibit BSG/JAF-1, p. 3-183, lines 16-17. Please provide the
"calendar year physical flow volumes" and the "unadjusted customer
counts" that the testimony indicates are in Column 1 Schedule JAF-1-1.

Response: Please see Attachment AG-9-7 for the calendar year physical flow
volumes and unadjusted customer counts.

Column 1 Schedule JAF-1-1 Bills and Calendar Year Physical Flow Volumes

For the 12 Months Ending December 31, 2004

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Rate Schedule</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>	<u>Bills</u>
RESIDENTIAL HEATING CHOICE (MA-T-3)	35	35	35	35	34	35	35	35	35	37	39	38
RES HEAT CHOICE FARM (MA-T-3)	1	1	1	1	1	1	1	1	1	1	1	1
RES NON-HEAT CHOICE MONTHLY (MA-T-1)	5	5	5	5	5	5	5	5	5	5	4	5
C&I LOW ANNUAL/LOW WINTER TRANS (MA-T-50)	347	348	344	340	337	332	318	321	320	351	341	340
C&I LOW ANN/HIGH WINTER TRANS (MA-T-40)	846	845	822	817	809	802	794	789	794	629	597	597
C&I LOW ANN/HI WIN TRANS FARM (MA-T-40)	1	1	1	1	1	1	1	1	1	1	1	1
C&I MED ANN/LOW WIN TRANS (MA-T-51)	473	467	456	453	446	443	438	439	438	549	568	564
C&I MED ANN/HI WIN TRANS (MA-T-41)	1,090	1,076	1,067	1,057	1,034	1,014	977	978	994	873	912	913
C&I HI ANN/LOW WIN TRANS (MA-T-52)	124	123	123	121	121	121	120	120	119	155	159	160
C&I HI ANN/HI WIN TRANS (MA-T-42)	335	334	331	329	328	321	316	319	323	270	284	287
C&I MED ANN/HI WIN TRANS FARM (MA-T-41)	0	0	2	2	2	2	2	2	2	3	3	3
C&I HI ANN/LOW WIN TRANS FARM (MA-T-52)	1	1	1	1	1	1	1	1	1	0	0	0
C&I HI ANN/HI WIN TRANS FARM (MA-T-42)	2	2	2	2	2	2	2	2	2	2	2	2
C&I DM LOW ANNUAL/HI WIN TRANS (MA-T-40)	13	13	13	13	13	13	13	13	13	13	10	10
C&I DM MED ANNUAL/HI WIN TRANS (MA-T-41)	35	35	35	33	33	33	33	32	32	32	14	14
C&I DM HI ANNUAL/HI WIN TRANS (MA-T-42)	28	28	28	28	28	28	28	26	26	26	13	13
C&I DM EX HI ANN/HI WIN TRANS (MA-T-43)	10	10	10	10	10	10	10	10	10	10	10	10
C&I DM LOW ANNUAL/LOW WIN TRANS (MA-T-50)	2	2	2	2	2	2	2	2	2	2	1	1
C&I DM MED ANNUAL/LOW WIN TRANS (MA-T-51)	8	8	8	8	8	8	7	7	7	7	6	7
C&I DM HI ANNUAL/LOW WIN TRANS (MA-T-52)	26	26	26	26	26	26	26	26	26	26	27	27
C&I DM EX HI ALL/LOW WIN TRANS (MA-T-53)	59	59	59	59	59	59	59	59	59	59	58	60
SPECIAL RATE	5	5	5	5	5	5	5	5	5	5	5	5
RESIDENTIAL NON-HEAT (MA-R-1)	3,265	2,895	2,821	2,384	2,257	1,909	1,742	1,451	1,340	897	910	720
RESIDENTIAL HEATING SALES (MA-R-3)	202,525	202,932	205,747	204,623	203,408	203,508	203,290	203,547	204,051	204,372	206,412	205,252
RESIDENTIAL NON-HEAT LOW INC (MA-R-2)	87	87	72	128	100	89	77	79	68	57	55	64
RESIDENTIAL HEATING LOW INC (MA-R-4)	21,721	21,571	19,198	18,381	17,909	17,561	17,138	16,725	16,367	16,890	16,575	16,185
RESIDENTIAL NON-HEAT MONTHLY (MA-R-1)	23,274	23,782	24,421	26,661	28,413	28,913	29,363	29,814	30,124	30,174	30,380	29,875
RES NON-HEAT LOW INC MONTHLY (MA-R-2)	1,605	1,602	1,534	1,490	1,468	1,450	1,429	1,404	1,387	1,625	1,579	1,515
RESIDENTIAL HEATING FARM (MA-R-3)	16	16	17	13	13	13	13	13	13	13	13	13
RESIDENTIAL NON-HEAT FARM MNTHLY (MA-R-1)	4	4	4	6	6	6	6	6	6	6	6	6
OUTDOOR LIGHTING (MA-L-60)	13	13	13	12	12	12	12	12	12	12	11	10
C&I LOW ANNUAL/LOW WINTER SAL (MA-G-50)	2,935	2,927	2,933	2,931	2,918	2,909	2,914	2,913	2,905	3,157	3,195	3,152
C&I LOW ANNUAL/HIGH WINTER SAL (MA-G-40)	16,014	16,034	16,081	15,951	15,797	15,731	15,609	15,510	15,534	15,926	16,308	16,238
C&I MED ANNUAL/LOW WINTER SAL (MA-G-51)	1,208	1,223	1,230	1,225	1,230	1,224	1,231	1,222	1,229	1,422	1,421	1,385
C&I MED ANNUAL/HIGH WINTER SAL (MA-G-41)	3,725	3,727	3,741	3,735	3,733	3,750	3,763	3,768	3,754	3,376	3,383	3,347
C&I HIGH ANNUAL/LOW WINTER SAL (MA-G-52)	83	83	84	86	85	88	85	85	87	112	112	110
C&I HIGH ANNUAL/HIGH WINTER SA (MA-G-42)	278	279	288	286	288	297	300	298	293	243	243	238
EXTRA HI ANN/LW WINTER SL (MA-G-53)	8	8	8	8	5	5	5	5	5	10	12	12
EXTRA HI ANN/HI WINTER SL (MA-G-43)	7	7	6	6	6	5	5	5	5	3	3	3
C&I LOW ANNUAL/LOW WINTER FARM (MA-G-50)	5	5	5	5	5	5	5	5	5	5	4	4
C&I LOW ANNUAL/HIGH WINTER FARM (MA-G-40)	14	14	14	14	14	14	14	14	14	14	15	15
C&I MED ANNUAL/HIGH WINTER FARM (MA-G-41)	2	2	2	2	2	2	2	2	2	2	2	2
TOTAL COMPANY	280,235	280,635	281,595	281,295	280,974	280,755	280,196	280,071	280,416	281,372	283,694	281,204

Bay State Gas Company
Column 1 Schedule JAF-1-1 Bills and Calendar Year Physical Flow Volumes
For the 12 Months Ending December 31, 2004

Attachment: Response to Data Request No. AG-9-7

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual 2004
<u>Rate Schedule</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>	<u>Therms</u>
RESIDENTIAL HEATING CHOICE (MA-T-3)	15,267	11,347	10,315	6,463	3,370	2,245	1,843	1,812	2,148	4,975	8,639	12,174	80,597
RES HEAT CHOICE FARM (MA-T-3)	298	174	155	100	59	26	29	29	32	94	154	211	1,359
RES NON-HEAT CHOICE MONTHLY (MA-T-1)	224	169	170	151	141	134	145	139	164	158	179	134	1,908
C&I LOW ANNUAL/LOW WINTER TRANS (MA-T-50)	76,256	134,882	85,070	58,652	80,303	44,755	35,296	34,589	39,753	65,373	58,013	80,444	793,385
C&I LOW ANN/HIGH WINTER TRANS (MA-T-40)	505,123	339,649	274,168	133,507	73,931	27,252	21,479	23,252	29,642	97,403	153,351	259,273	1,938,029
C&I LOW ANN/HI WIN TRANS FARM (MA-T-40)	399	105	120	0	21	16	22	20	24	51	313	182	1,274
C&I MED ANN/LOW WIN TRANS (MA-T-51)	865,895	725,901	822,109	638,220	529,611	466,561	473,516	463,431	476,745	582,097	692,081	826,505	7,562,672
C&I MED ANN/HI WIN TRANS (MA-T-41)	3,609,943	2,485,450	2,103,233	1,136,515	493,088	321,514	234,626	267,412	296,252	840,810	1,339,203	2,312,232	15,440,277
C&I HI ANN/LOW WIN TRANS (MA-T-52)	1,658,188	1,291,195	1,416,084	1,223,011	997,198	1,096,957	936,610	1,007,578	995,563	1,173,253	1,293,490	1,730,148	14,819,275
C&I HI ANN/HI WIN TRANS (MA-T-42)	5,676,937	3,918,359	3,365,284	2,039,726	886,657	532,482	382,395	373,307	566,880	1,257,562	2,083,603	3,813,098	24,896,289
C&I MED ANN/HI WIN TRANS FARM (MA-T-41)	0	0	0	3,637	1,319	225	85	44	69	162	50,188	59,266	114,994
C&I HI ANN/LOW WIN TRANS FARM (MA-T-52)	1,266	328	1,940	4,380	835	11	10	21	10	23,897	0	0	32,698
C&I HI ANN/HI WIN TRANS FARM (MA-T-42)	27,876	25,009	13,118	5,273	2,280	1,300	408	737	755	7,211	11,748	21,970	117,686
C&I DM LOW ANNUAL/HI WIN TRANS (MA-T-40)	12,214	10,161	6,464	4,403	1,893	731	516	230	188	454	1,659	4,572	43,483
C&I DM MED ANNUAL/HI WIN TRANS (MA-T-41)	158,239	126,784	103,381	55,700	30,891	5,821	4,342	3,164	3,626	5,811	37,429	33,599	568,786
C&I DM HI ANNUAL/HI WIN TRANS (MA-T-42)	562,342	564,062	415,240	276,672	161,464	39,329	37,437	33,096	54,907	59,517	164,612	202,003	2,570,680
C&I DM EX HI ANN/HI WIN TRANS (MA-T-43)	1,182,095	800,047	591,752	482,178	341,390	127,129	84,328	91,672	92,991	185,104	475,010	734,233	5,187,928
SPECIAL RATE	9,796,620	12,731,257	9,864,678	12,363,354	12,728,882	10,744,445	4,379,062	3,662,677	8,732,395	7,909,091	9,815,081	13,487,141	116,214,682
C&I DM LOW ANNUAL/LOW WIN TRANS (MA-T-50)	919	278	22	1	1	1	1	1	2	1	1	3,166	4,395
C&I DM MED ANNUAL/LOW WIN TRANS (MA-T-51)	10,487	9,940	10,319	9,847	8,926	5,531	5,005	4,608	4,494	5,569	5,034	8,040	87,799
C&I DM HI ANNUAL/LOW WIN TRANS (MA-T-52)	432,510	448,035	405,753	381,288	347,888	258,561	263,873	229,630	251,928	303,510	289,436	374,989	3,987,399
C&I DM EX HI ANN/LOW WIN TRANS (MA-T-53)	4,731,130	4,467,293	4,616,777	4,232,550	4,342,822	3,871,783	4,155,351	3,929,909	4,056,563	4,342,837	4,202,565	4,118,650	51,068,230
RESIDENTIAL NON-HEAT (MA-R-1)	149,041	126,301	129,262	85,325	78,002	52,335	53,959	51,578	39,599	42,035	38,078	34,528	880,043
RESIDENTIAL HEATING SALES (MA-R-3)	51,709,189	35,762,624	30,498,974	17,759,605	8,293,224	5,545,895	4,848,230	4,893,931	5,472,368	12,583,701	22,052,448	35,273,472	234,693,660
RESIDENTIAL NON-HEAT LOW INC (MA-R-2)	5,692	5,690	6,527	8,528	4,338	3,017	3,137	3,814	2,048	2,992	2,180	3,387	51,349
RESIDENTIAL HEATING LOW INC (MA-R-4)	4,538,269	3,351,416	3,416,945	2,008,474	1,245,722	570,042	447,651	419,878	454,941	971,928	1,646,852	2,681,098	21,753,214
RESIDENTIAL NON-HEAT MONTHLY (MA-R-1)	524,575	459,856	456,319	365,577	343,151	332,903	332,053	335,947	360,710	445,561	501,741	589,769	5,048,160
RES NON-HEAT LOW INC MONTHLY (MA-R-2)	32,340	32,799	37,939	70,540	46,074	24,117	23,345	21,175	25,383	25,615	30,418	44,628	414,373
RESIDENTIAL HEATING FARM (MA-R-3)	5,513	3,817	3,083	2,007	912	585	411	313	407	992	1,841	3,281	23,162
RESIDENTIAL NON-HEAT FARM MNTHLY (MA-R-1)	21	43	21	20	22	29	20	24	29	28	36	29	322
OUTDOOR LIGHTING (MA-L-60)	252	218	241	235	220	188	208	229	230	258	250	199	2,728
C&I LOW ANNUAL/LOW WINTER SAL (MA-G-50)	514,809	454,098	458,010	370,556	357,373	279,622	262,407	273,835	297,738	361,374	368,136	444,025	4,441,982
C&I LOW ANNUAL/HIGH WINTER SAL (MA-G-40)	6,446,015	4,443,576	3,413,506	1,707,641	541,974	301,107	218,900	246,105	300,358	818,650	2,035,476	3,887,440	24,360,747
C&I MED ANNUAL/LOW WINTER SAL (MA-G-51)	1,573,316	1,337,421	1,294,426	1,140,036	959,678	865,017	875,764	875,517	910,547	1,115,861	1,277,952	1,493,375	13,718,908
C&I MED ANNUAL/HIGH WINTER SAL (MA-G-41)	9,811,334	6,896,292	5,787,315	3,054,556	1,165,122	603,775	523,172	464,970	573,416	1,787,683	3,436,909	6,130,218	40,234,761
C&I HIGH ANNUAL/LOW WINTER SAL (MA-G-52)	695,711	564,963	693,462	522,181	429,678	423,373	399,538	581,402	437,426	589,893	581,825	746,438	6,665,889
C&I HIGH ANNUAL/HIGH WINTER SA (MA-G-42)	3,939,429	2,830,839	2,671,627	1,514,072	664,204	347,898	272,789	299,841	376,759	905,274	1,551,269	2,709,788	18,083,789
EXTRA HI ANN/LW WINTER SL (MA-G-53)	387,755	273,520	232,277	234,924	184,364	136,053	123,490	130,334	144,532	148,236	494,126	664,386	3,153,998
EXTRA HI ANN/HI WINTER SL (MA-G-43)	1,057,930	699,324	719,280	460,275	247,066	168,169	168,786	173,216	190,770	359,464	153,113	200,758	4,598,151
C&I LOW ANNUAL/LOW WINTER FARM (MA-G-50)	473	404	437	442	345	420	162	162	233	359	354	427	4,217
C&I LOW ANNUAL/HIGH WINTER FARM (MA-G-40)	4,684	2,763	4,653	3,062	934	115	41	35	31	1,166	527	2,706	20,718
C&I MED ANNUAL/HIGH WINTER FARM (MA-G-41)	4,158	1,301	1,780	2,034	644	213	277	269	307	882	3,323	4,134	19,321
TARIFF SALES BILLED EMERGENCY INTERR - MNL	29,440	0	0	0	0	0	0	0	0	0	0	0	29,440
INTERRUPTIBLE SALES-MNL	34,065	582	0	2,333	2,756	0	39,770	18,443	15,551	8,580	17,143	40,469	179,692
INTERRUPTIBLE SALES	1,875	39,837	2,346	342,611	302,532	287,728	310,998	290,435	329,859	930,344	769,790	108,462	3,716,816
TOTAL COMPANY	110,790,115	85,378,108	73,934,582	52,710,660	35,901,303	27,489,406	19,921,482	19,208,807	25,538,368	37,965,813	55,645,577	83,145,044	627,629,266

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
ELEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

AG-11-10 Referring to the Company's 2004 Annual Return to the Department, page 27, line 16, please provide a complete and detailed description of the nature of the Production and Storage Regulatory Asset included in this balance. Please also indicate why Account 495 was credited during the test year in the amount of \$9.9 million and reconcile that amount with the amount for Account 495 shown on page 32, line 20 of the 2004 Annual Return.

Response: Bay State is allowed to recover its Production and Storage costs through its Cost of Gas Adjustment (CGA) recovery mechanism versus base rates. Per the Department's Order in Docket 95-104, Bay State is allowed to recovery \$9,129,632 per year for these costs.

In 2004, the CGA billing rate generated recoveries of \$8,084,708 for the current year Production and Storage costs. These recoveries are reflected in the various Residential and C&I revenue accounts. In order to properly reflect the \$9,129,632 in revenues – the following entries were the net entries made in 2004:

Production & Storage Regulatory Asset	\$9,129,632
Revenue – Account 495	\$9,129,632

This entry recognizes the allowed production and storage revenue.

Revenue – Account 495	\$8,084,708
Production & Storage Regulatory Asset	\$8,084,708

This entry reduces the regulatory asset by the recoveries generated by the CGA recovery mechanism.

The debit and credits noted on page 27 of the Annual Report to the Commission include adjustments and corrections that were made during the year. These adjustments inflated the debits and credits to the Production and Storage deferred debit that were offset by entries to Account 495.

The following details the various items included in Account 495:

Lawson

Account #	Description	\$
649527	PROD & STORAGE REVENUES	(1,044,923.89)
649536 91631	BSG CARE-PROG ANNOUNCE	6,454.23
649537 91632	BSG CARE-OTHER ACTIVITY	3,651.53
649541 91641	BSG CARE-SALARIES	80,326.56
649542 91642	BSG CARE-FRINGS	28,923.08
649543 91643	BSG CARE-MIS ADMIN EXP	1,239.84
649544 91644	BSG CARE-POSTAGE	3,072.03
649545 91645	BSG CARE-MEETINGS	231.20
649548 91648	BSG CARE-EOER ASSESSMENT	
649549	BSG CARES P/R TAX	5,703.25
649551 91651	BSG CARE-AUDIT DELIVERY	131,364.35
649552 91652	BSG CARE-SUPPORT SERVICE	2,450.24
649553 91653	BSG CARE-LOW COST MATER.	20,124.70
649555 91655	BSG CARE-POST INSTALLAT.	1,147.60
649556 91656	BSG CARE-AUDITOR TRAININ	5,435.61
649557 91657	BSG CARE-FACILIT/TELEM	2,102.71
649558 91658	BSG CARE-PRINTING & COPY	14,057.62
649512	RCS REV-MO SURCHARGE	(412,463.09)
649524 91699	BSG CARE-XFER CR/DEF	106,178.54
	Net BSG-Cares	-
649526	CARRYING COSTS-PRE TAX OF RET	988,819.00
648600	DSM LOST NET REV RES HTR	894,218.48
648603	DSM LOST NET REVENUE	(1,224,169.23)
689304	METER SHOP-REVENUES	218.71
690305	CUST.R&C-SHUTOFF,TURNON	(93,975.00)
649570	INT TRANSPORTATION REVENUES	208.00
	ACCOUNT 495	<u>(479,603.93)</u>

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRTEENTH SET OF INFORMATION REQUESTS FROM ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: Dr. Lawrence Kauffman, Consultant (PBR)

AG-13-8 Please provide complete copies of all cost saving analyses that the Pacific Economics Group and / or Mr. Kaufmann have prepared regarding mergers and acquisitions of business entities.

Response: I have not prepared any such analyses, but I am providing copies of eight pertinent analyses that have been performed by Charles Cicchetti of Pacific Economics Group. These studies were undertaken and submitted as testimony on behalf of Unicorp Canada (Ontario), PSI Energy (Indiana), Southwestern Public Service (New Mexico), Pacific Telesis (California), three separate studies for Western Resources (Kansas), and for a consortium of sellers of energy and ancillary services in markets operated by the California Independent System Operator and California Power Exchange (Federal Energy Regulatory Commission).

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SEVENTEENTH SET OF INFORMATION REQUESTS FROM ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

AG-17-10 Referring to Exhibit BSG/JES-1, Schedule JES-1, please provide an analysis of the amortization expense of \$6,662,895 in Column 3. The response should show the accounts being amortized, other than the MetScan amortization, the annual amortization of each account (or sub-account) and the balance of the accounts (or sub-accounts) subject to amortization as of December 31, 2003 and December 31, 2004.

Response: Please see Attachment AG-17-10 for the amortization as of December 31, 2003 and December 31, 2004.

	2003			
	<u>Gross Plant in Service</u>	<u>Accumulatec Amortization</u>	<u>Net Value</u>	<u>Amortization Expense</u>
	(1)	(2)	(3)=(1-2)	(4)
	\$	\$	\$	\$
301 00 Organization Costs	4,432,919	3,350,491	1,082,427	112,508
303 00 Misc Intang Plt - Nipsco/BSG Merger	443,450,716	56,577,962	386,872,754	11,126,708
303 00 - 4 year software	869,002	211,902	657,100	211,902
303 00 - 5 year software	739,702	417,290	322,415	148,037
303 00 - 10 year software	33,301,300	15,161,529	18,139,771	3,382,578
321 00 LNG Pumps / Easton Leasehold Improvements	250,640	94,938	155,702	20,591
Amortize Non-Competes				70,000
Amort - Furnance Lease				<u>56,946</u>
Per Books Amort. Of Utility Plant				<u>15,129,270</u>

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SEVENTEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

AG-17-11 With regard to the amortization expense, other than MetScan, please
explain how the amortization lives have been determined.

Response: Company management determines the expected service life of a specific
software project. These projects are usually amortized over either a five or
ten-year period.

Intangible assets are amortized according to GAAP rules, i.e. goodwill is
amortized over 40 years.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SEVENTEENTH SET OF INFORMATION REQUESTS FROM ATTORNEY GENERAL
D. T. E. 05-27

Date: June 16, 2005

Responsible: Stephen H. Bryant, President

AG-17-12 Referring to Exhibit BSG/JES-1, Workpaper JES-8, please explain what the interest rates on Line 2 represent and why the Company believes that it is appropriate to use these rates as the discount rates to determine the net present value.

Response: The rates used on Line 2 of Exhibit BSG/JES-1 represent the rates of each respective Metscan lease. The rates represent an annual cost to carry unpaid principal based upon the initial acquisition cost associated with each lease along with the respective lease payments over the term of the lease. These rates were then used to value a regulatory asset based upon the net present value of future lease payments for each of the Metscan leases as shown on Exhibit BSG/JES-1. Bay State determined this was appropriate at that time as a representative value to the Lessor, since the Company had no basis for calculating the Fair Market Value.

The approach in valuing the regulatory asset was adjusted after negotiations with the Lessor. Please refer to the Company's Supplemental Response to DTE 1-21 for adjusted regulatory asset amounts as well as adjusted discount rates.